

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

OCTOBER 19, 1999

IN RE:)	
)	
YEAR 2000 COMPLIANCE OF)	DOCKET NO. 99-00273
PUBLIC UTILITIES IN THE STATE)	
OF TENNESSEE)	
)	

**ORDER REQUIRING: AUTHORITY'S ACTION OPENING DOCKET
TO INITIATE SHOW CAUSE PROCEEDINGS AGAINST
ALEC, INC.**

This matter came before the Tennessee Regulatory Authority ("Authority") on its own motion, at a regularly scheduled Authority Conference held on September 28, 1999. At that Conference, a majority of the Directors,¹ acting pursuant to authority granted under Tenn. Code Ann. § 65-3-106 and § 65-2-106, determined to initiate show cause proceedings against ALEC, Inc., Newport Resort Water System² and Riviera Utilities of Tennessee, Inc.³ for failure to comply with the Authority's Order of May 21, 1999 requiring regulated public utilities to submit a Y2K Compliance Report.

On February 2, 1999, at a regularly scheduled Authority Conference, the Directors of the Authority, acting in the public interest and pursuant to Tenn. Code Ann. §§ 65-4-104 and 65-4-105, unanimously ordered public utilities in the State of Tennessee under the jurisdiction of the Authority to file Y2K Compliance Reports with the

¹ Director Kyle voted against the motion to initiate show cause proceedings relative to this matter.

² Newport Resort Water System submitted its Y2K Compliance Report on September 30, 1999 and therefore is not included in this show cause order.

³ Riviera Utilities of Tennessee, Inc. submitted its Y2K Compliance Report on October 6, 1999 and therefore is not included in this show cause order.

Authority on or before September 1, 1999. A copy of the Authority's Order of May 21, 1999 is attached hereto as Exhibit 1 and is incorporated in this Order as if rewritten herein.

On September 10, 1999, all public utilities that had failed to file Y2K Compliance Reports by the September 1, 1999 were contacted by mail by the Authority's Consumer Services Division ("CSD") and asked to comply immediately with the Authority's Order of May 21, 1999. A copy of the letter dated September 10, 1999, which was sent to ALEC, Inc. is attached hereto as Exhibit 2. During the September 28, 1999 Conference, the Directors were advised by the CSD that CSD staff telephoned the public utilities that had not yet responded to the Order as of September 22, 1999, and in the instances of ALEC, Inc., Newport Resort Water System and Riviera Utilities of Tennessee, Inc., the CSD received no response. On September 23, 1999, the CSD sent a letter to those three public utilities that had still not complied with the May 21, 1999 Order, enclosed a copy of the Agenda for the September 28, 1999 Authority Conference and gave notice that each utility was to appear at the September 28, 1999 Authority Conference for the purpose of explaining their failure to comply. A copy of the letter dated September 23, 1999 and the Agenda notice sent to ALEC, Inc. is attached hereto as Exhibit 3.

The Authority finds that ALEC, Inc., after repeated requests from the Authority staff, is in noncompliance with the Order of May 21, 1999. Therefore, a majority of the Directors acting pursuant to the scope of the agency's authority granted under Tenn. Code Ann. § 65-3-105⁴ determines that a show cause order should issue against ALEC,

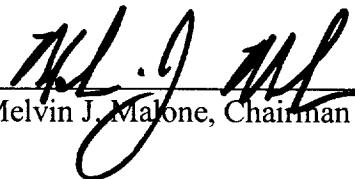
⁴ Tenn. Code Ann. § 65-3-105 grants enforcement powers to the Authority as follows: "The department is to perform all duties imposed upon it by the provisions of this chapter and Chapter 5 of this title, and see that such companies shall comply with all such regulations and orders as it may reasonably and lawfully make. If any such company fails or refuses to comply with such reasonable and lawful regulations and orders, it shall be the duty of the department to enforce the same..."

Inc., requiring it to present itself to the Authority to show cause as to why it should not be found in violation of the Authority's Order of May 21, 1999 and be assessed penalties provided for in Tenn. Code Ann. § 65-4-120.

IT IS THEREFORE ORDERED THAT:

1. At a date and time to be specified in a future notice, ALEC, Inc. is to appear before the Authority to show cause as to why it should not be assessed penalties pursuant to Tenn. Code Ann. § 65-4-120.

2. Any party aggrieved by the decision of the Tennessee Regulatory Authority in this matter may file a Petition for Reconsideration with the Authority within ten (10) days of the date of this Order.


Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director

Sara Kyle, Director

ATTEST:



K. David Waddell, Executive Secretary

*** Director Kyle voted not to initiate a show cause proceeding in this matter.

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE

May 21, 1999

IN RE:)	
)	
YEAR 2000 COMPLIANCE OF PUBLIC)	DOCKET NO. 99-00273
UTILITIES IN THE STATE OF)	
TENNESSEE)	
)	

**ORDER REQUIRING PUBLIC UTILITIES
TO FILE Y2K COMPLIANCE REPORTS WITH THE AUTHORITY
ON OR BEFORE SEPTEMBER 1, 1999**

On February 2, 1999, at a regularly scheduled Authority Conference, the Directors of the Tennessee Regulatory Authority ("TRA" or "Authority"), acting in the public interest, and pursuant to Tenn. Code Ann. §§ 65-4-104 and 65-4-105, unanimously ordered public utilities in the State of Tennessee under the jurisdiction of the Authority to file Y2K Compliance Reports, as further set forth herein, with the Authority on or before September 1, 1999.

I. Background

The Year 2000 Problem ("Y2K") is rooted in the manner in which dates are recorded and computed in many computer systems. For the past several decades, systems have typically used two (2) digits to represent the year, such as "98" representing 1998, in order to conserve on electronic data storage and reduce operating costs. With this two-digit format, however, the Year 2000 is indistinguishable from 1900, and the year 2001 is indistinguishable from 1901, and so forth. In short, the Y2K problem may be summarily articulated as the inability of computer systems to recognize and/or identify the year 2000. Unfortunately, the problem is not confined to

programming errors caused by the use of the two-digit year coding scheme. The year 2000 presents a potential "triple whammy" of traps for engineers and programmers. Along with the double-digit year coding, there exists particular questions relative to the use of six-digit date representation, and still there are other perils caused by the calculation of the leap year. Exacerbating matters is the fact that January 1, 2000, falls on a Saturday. Problems caused by Y2K blunders may not be discovered until the next regularly scheduled work day, allowing enough time for errors to inflict a great deal of damage.

The Y2K issue is not limited to mainframe and old computer systems, but also extends to desktop systems and microchips installed in recent systems and devices. Thus, system or application programs that use dates to perform calculations, comparisons, sorting and other functions may generate incorrect or illogical results, or shut down altogether when processing data after midnight on December 31, 1999. Y2K compliance can be generally defined as the ability of information systems to accurately process date data from, into, and between the twentieth and twenty-first centuries, including leap year calculations.

The public utility industry provides services that are, by any standard, essential to the public's safety and welfare. Many processes and operations of utilities are, directly or indirectly, automated and based on microprocessor and microcomputer controls and are programmed with dates for a variety of purposes. While a complete solution to this problem cannot be guaranteed, it is imperative that the utility industry takes proper steps to ensure, to the extent technologically feasible, the public's safety and welfare. In large part, the Y2K issue is a managerial problem and its resolution rests with management.

The mission-critical systems that ensure the delivery of utility services are the property of the utility companies. Thus, the public is dependent upon the good faith efforts of the industry

with respect to the Y2K issue. In an effort to: heighten the awareness concerning the safety and reliability of service delivery systems; monitor the Y2K readiness of the regulated utility industry across the state; ensure that contingency plans are in place; provide the public with relevant information; and mitigate Y2K problems, in June of last year the Authority commenced gathering information concerning the Y2K readiness among public utilities in Tennessee.

In January, 1999, the Authority issued "*The Year 2000: An Interim Status Report on the Preparedness of Regulated Utilities* (the 'January Report')." ¹ The results of the January Report indicate that "significant measures are being planned to ensure systems compliance." See January Report at 10. Although a large percentage of responding utilities were non-compliant as of October 15, 1998, the responses reveal that "regulated utilities appear to recognize the gravity of system non-compliance and will begin taking steps to address the potential problem during late 1998 and 1999." *Id.* at 6. Nevertheless, as noted in the January Report, "[i]mplementation of the industries' plans . . . will require the continued attention of the TRA in the months ahead." The TRA will continue to monitor the steps proposed by the regulated utilities to assist in efforts to materially mitigate and hopefully prevent utility problems from occurring on January 1, 2000. *Id.* at 10. ²

¹ A copy of the January Report may be obtained via the Authority's web site at www.state.tn.us/tra or by contacting Greg Mitchell, Chief of External Affairs for the Tennessee Regulatory Authority, at (615) 741-2904 ext. 131 or gmitchell@mail.state.tn.us.

² The Tennessee Regulatory Authority cannot ensure the adequacy or completeness of the steps being taken to be prepared for the Y2K problem by the individual utilities, nor the result of any steps that such utilities may take in the future. The Authority's role is to gather information from the utilities about the problem and their preparedness for it, and further, to require accountability from regulated utilities relative to the action they are taking to mitigate or prevent utility problems from occurring on or around January 1, 2000.

II. Action Taken by the Authority

For the foregoing reasons, on February 2, 1999, the Directors of the Authority ordered public utilities, as defined in Tenn. Code Ann. § 65-4-101,³ and those gas public utilities under the jurisdiction of the Authority for safety purposes, as defined in Tenn. Code Ann. § 65-28-104(4),⁴ to report the status of their Y2K preparedness to the Authority on or before September 1,

³ Tenn. Code Ann. § 65-4-101(a) provides the following definition of a public utility:

(a) "Public utility" includes every individual, copartnership, association, corporation, or joint stock company, its lessees, trustees, or receivers, appointed by any court whatsoever, that own, operate, manage or control, within the state, any interurban electric railway, traction company, all other common carriers, express, gas, electric light, heat, power, water, telephone, telegraph, telecommunications services, or any other like system, plant or equipment, affected by and dedicated to the public use, under privileges, franchises, licenses, or agreements, granted by the state or by any political subdivision thereof. "Public utility" as herein defined shall not be construed to include the following (hereinafter called nonutilities):

- (1) Any corporation owned by or any agency or instrumentality of the United States;
- (2) Any county, municipal corporation or other subdivision of the state of Tennessee;
- (3) Any corporation owned by or any agency or instrumentality of the state;
- (4) Any corporation or joint stock company more than fifty percent (50%) of the voting stock or shares of which is owned by the United States, the state of Tennessee or by any nonutility referred to in subdivisions (a)(1), (2), and (3);
- (5) Any cooperative organization, association or corporation not organized or doing business for profit;
- (6) Any individual, partnership, copartnership, association, corporation or joint stock company offering domestic public cellular radio telephone service authorized by the federal communications commission; provided, that the real and personal property of such domestic public cellular radio telephone entities shall be assessed by the comptroller of the treasury pursuant to §§ 67-5-801(a)(1), 67-5-901(a)(1), and § 67-5-1301(a)(2); provided, however, that until at least two (2) entities, each independent of the other, are authorized by the federal communications commission to offer domestic public cellular radio telephone service in the same cellular geographical area within the state, the customer rates only of a company offering domestic public cellular radio telephone service shall be subject to review by the Tennessee regulatory authority pursuant to §§ 65-5-201 - 65-5-204. Upon existence in a cellular geographical area of the conditions set forth in the preceding sentence, domestic public cellular radio telephone service in such area, for all purposes, shall automatically cease to be treated as a public utility under this title. The Tennessee regulatory authority's authority over domestic public cellular radio telephone service is expressly limited to the above extent and the authority shall have no authority over resellers of domestic public cellular radio telephone service. For the purpose of this subdivision, "authorized" means six (6) months after granting of the construction permit by the federal communications commission to the second entity or when the second entity begins offering service in the same cellular geographical area, whichever should first occur. This subdivision does not affect, modify or lessen the regulatory authority's authority over public utilities that are subject to regulation pursuant to chapter 5 of this title; and
- (7) Any of the foregoing nonutilities acting jointly or in combination or through a joint agency or instrumentality.

⁴ Tenn. Code Ann. § 65-28-104(4) provides the following definition of gas public utilities:

(4) "Gas public utilities" means any person, firm, corporation or other legal entity of any kind engaged in the transportation of gas, and includes the state of Tennessee, every county in the state of Tennessee, every municipality in the state of Tennessee and every utility district created under title 7, chapter 82, which has not been certified with the department of transportation under section 5(a) or 5(b) of Natural Gas Pipeline Safety Act of 1968 (Public Law 90-481; 49 U.S.C. § 1671 et seq.), every public body or corporation of whatever kind in the state of Tennessee, and every private or nonpublic entity, when engaged in the transportation of gas . . .

1999. Among other information that should be provided in keeping with the spirit of this Order, such reports should contain the following: (1) a comprehensive overview of the utility's Y2K readiness, including an implementation schedule and the expected compliance date; (2) the name, title, address, phone number, and electronic mail address of the utility's Y2K project leader; (3) the rank/title of the highest person in the organization who spends 80% of his or her time on Y2K issues; (4) a detailed assessment of the readiness of the utility's critical systems; (5) an assessment of the readiness of the utility's non-critical systems; (6) the method and status of testing and the results of any test performed; (7) projected completion date for testing of all critical systems; (8) the extent to which the utility has coordinated and tested with emergency 911/E911 providers; (9) any investigation or inquiries conducted on how the lack of compliance by other companies or service providers compromise the utility's ability to provide services; (10) strategies for remedying critical at-risk systems; (11) a comprehensive contingency plan to anticipate and resolve potential Y2K failures, including whether all contingency materials have been acquired or ordered, and whether the contingency plan has been tested; (12) whether the utility foresees any service problems or outages resulting from the Y2K problem; (13) whether the utility has informed its customers of the effects that possible Y2K service disruptions might have upon them; (14) whether the utility has communicated with its customers regarding whether any customer-owned equipment essential to the utility's service offerings is Y2K compliant; (15) whether the utility utilized the services of an outside consultant in addressing Y2K; and (16) how much money the utility has spent to date on its Y2K program.

To facilitate the orderly and prompt receipt of the information requested above, the Authority is providing specific forms for use by the utilities in reporting to the Authority on the

status of their Y2K preparedness.⁵ Attached to this Order are two forms with two lists: **List For Form A** is a list of those public utilities required to use **Form A** in providing the requested information; **List For Form B** is a list of those gas public utilities required to use **Form B** in providing the requested information. Each form contains the name of the individual and department within the Tennessee Regulatory Authority to whom the completed form should be directed.

IT IS THEREFORE ORDERED THAT:

1. Public utilities under the jurisdiction of the Tennessee Regulatory Authority are directed to implement appropriate measures for dealing with Y2K problems and shall file with the Authority on or before September 1, 1999, a Y2K Report, consistent with this Order, with respect to their Y2K readiness.
2. The appropriate Y2K Reports shall be filed with the Tennessee Regulatory Authority, utilizing either Form A or Form B as attached to this Order.


CHAIRMAN MELVIN J. MALONE


DIRECTOR SARA KYLE


DIRECTOR H. LYNN GREER, JR.

ATTEST:


K. David Waddell, Executive Secretary

⁵ All Customer-Owned Coin-Operated Telephones ("COCOTs") and non-facilities based resellers of telecommunications services within the jurisdiction of the Tennessee Regulatory Authority will be notified separately by letter from this agency of the requirement to implement appropriate measures so as to prevent or mitigate the effects of Y2K problems.

Tennessee Regulatory Authority Y2K Compliance Report
File with Eddie Roberson, Chief Consumer Services Division
on or before September 1, 1999

1. Please provide an overview of your utility's Y2K readiness by filling in the table below:

Company name	Inventory	Assessment	Remediation/Testing	Estimated Completion Date
	%	%	%	

**use percentages complete in the categories*

Definitions

Inventory – The process of identifying all the system related components within the company. The inventory should include all applications, databases, files, hardware and other related system components that will require inspection to locate date data and date processing.

Assessment – The process of determining where date systems are used within the inventory and whether they are impacted by Y2K.

Remediation/ Testing – Remediation is the modification or repairing of the systems negatively impacted by Y2K. Testing is the executing of remedial steps to determine whether the actions taken to repair the systems worked properly.

Estimated Date – The best estimate of when all systems will be modified and tested to ensure all are Y2K compliant.

2. Provide the name, title, address, phone number, and electronic mail address of the utility's Y2K project leader.

Answer: _____

3. The rank/title of the highest person in the organization who spends 80% of his or her time on Y2K issues.

Answer: _____

4. Provide an assessment of the readiness of the utility's critical systems. This analysis should provide the percentage of remediation and testing along with estimated completion dates as described above. Critical systems are defined as any system whose failure will affect the ability of the utility to deliver any core service.

Answer: _____

5. Provide an assessment of the readiness of the utility's non-critical systems. This analysis should provide the percentage of remediation and testing along with estimated completion dates as described above. Non-critical systems are defined as any system whose failure will not affect the ability of the utility to deliver any core service, but may affect internal operations such as customer service functions.

Answer: _____

6. Has your utility coordinated and tested its Y2K compliance program with emergency 911/E911 providers?

Answer: _____

7. Provide, if available, information on any investigation or inquiries conducted on how the lack of compliance by other companies or service providers may compromise your utility's ability to provide services.

Answer: _____

8. Does your utility have a contingency plan to anticipate and resolve potential Y2K failures, including whether all contingency materials have been acquired or ordered, and whether the contingency plan has been tested? Please provide a copy of whatever contingency plan your utility has concerning Y2K.

Answer: _____

9. Do you foresee any service problems or outages resulting from the Y2K problem? If yes, please explain where problems are likely to occur and state what strategies your company is taking to address them.

Answer: _____

10. Has the utility informed its customers of the effects that possible Y2K service disruptions might have upon them including customer-owned equipment essential to the utility's service offerings? If yes, please provide how and when the customers were notified.

Answer: _____

11. Has your utility utilized the services of an outside consultant in addressing Y2K? If yes, provide the name and address of the consultant(s).

Answer: _____

12. Approximately how much money has your utility spent on its Y2K program to date?

Answer: _____

Name and telephone number of person(s) responding to survey

Date

List for Form A

Century Telephone Enterprises, Inc.
Millington Telephone Company
LDDS Worldcom
Metropolitan Fiber Systems
Brooks Fiber Properties
Chattanooga Gas Company
Cleveland Natural Gas Company
Intermedia Communications
United Cities Gas Company
United Telephone Southeast
TDS Telecom
Citizens Communications Co.
ITC DeltaCom
Tennessee American Water
MCI Metro Access Transmission Services, Inc.
E-spire Communications, Inc.
United Telephone
Tennessee Water Service, Inc.
Riviera Utilities of Tennessee, Inc.
Cartwright Creek
Lynnwood Utilities
Hyperion of Tennessee, Inc.
Antioch Water
Newport Resort Water System
Sequatchie Water Works, Inc. (Not in Operation)
Digital Teleport, Inc.
GTE Communications Corp.
Level 3 Communications, LLC
Logix Communications Corporation
Network Plus, Inc.
TCG Midsouth
US LEC of Tennessee

Nextlink Tennessee
ATS Network, LLC
Comm. Depot, Inc.
Loretto Telephone Company
Southeast Telephone
Winstar Telecommunications
BellSouth
AT&T
Sprint Communications
Telephone Electronics Corporation
Ardmore Telephone Company
Nashville Gas Company
Time Warner Communications
MCI Telecommunications Corp.
Kingsport Power/AEP
LCI International Worldwide Telecom
ICG Telecom Services, Inc.
On-Site Systems, Inc.
Aqua Water
Foothills Properties
Shiloh Utilities
ACI Corp.
ALEC, Inc.
Ben Lomand Communications, Inc.
BTI Communications, Inc.
Electric Power Board of Chattanooga
Interpath Communications, Inc.
LoadPoint Telecommunications, LLC
MFS Intelenet of Tennessee, Inc.
New South Communications, LLC
Teligent, Inc.

Public Gas Utilities

List For Form B

Municipals

Adamsville Gas Department
Athens Utilities Board
Bells Gas & Water
Bolivar Gas Department
Brownsville Utilities
Centerville Gas Department
Clarksville Gas Department
Chattanooga Gas-Cleveland Service Center
City of Clifton Gas
Collinwood Gas Department
Cookeville Gas Department
Covington Gas Department
Dunlap Gas System
Dyersburg Gas Department
Englewood Gas Department
Etowah Utilities
Fayetteville Gas System
Friendship Gas Department
Gainesboro Natural Gas System
Gallatin Natural Gas System
Gallaway Gas Company
Greater Dickson Gas Authority
Halls Gas Department
Harriman Utility Board
Hartsville Gas Company
Henderson Gas Department
Henning Gas Department
Hohenwald Natural Gas System
Humboldt Gas & Water Department
Jackson Utility Division
Jamestown Gas Department
Knoxville Utilities Board
Lafayette Gas Department
Lawrenceburg Gas Department
Lebanon Gas Department
Lenoir City Utilities Board
Lewisburg Gas Department
Lexington Gas System
Linden Natural Gas System
Livingston Gas System
Lobelville Gas Company
Loretto Municipal Gas System
Loudon Utilities Gas Division
Madisonville Gas System
Marion Natural Gas System
Martin Gas Department
Mason Natural Gas System
Maury City Gas System
Memphis Light Gas & Water Division
Monteagle Gas System, Box
Mt. Pleasant Gas System
Munford Gas Company
Newbern Utilities
Obion Gas System
Parsons Natural Gas System
Pikeville Natural Gas System
Portland Natural Gas System
Pulaski Natural Gas Department
Ridgetop Natural Gas System
Ripley Gas Department
Rockwood Natural Gas System
Savannah Public Utilities
Selmer Utility Division
Smyrna Natural Gas System
Somerville Light Gas & Water
City of South Fulton Gas
Springfield Gas System
St. Joseph Gas System
Sweetwater Utilities Board
Trimble Gas Department
Troy Gas System
Waynesboro Natural Gas System

Utility Districts

Citizens Gas Utility District
Claiborne County Utility District
Clay Gas Utility District
Crockett Public Utility District
Elk River Public Utility District
Gibson County Utility District
Hardeman-Fayette Utility District
Hawkins County Utility District
Horton Highway Utility District
Humphreys County Utility District
Jefferson-Cocke County Utility District
Lake County Utility District
Middle Tennessee Gas Utility District
Oak Ridge Utility District
Paris-Henry County Utility District
Poplar Grove Utility District
Powell-Clinch Utility District
Sevier County Utility District
First Utility District of Tipton Co.
Unicoi County Utility District
Upper Cumberland Utility
West Tennessee Public Util. Dist

Housing Authorities

Athens Housing/Services
Chattanooga Housing Authority
Cleveland Housing Authority
Columbia Housing Authority
Covington Housing Authority
Etowah Housing Authority
Gallatin Housing Authority
Harriman Housing Authority
Hartsville Housing Authority
Humboldt Housing Authority
Huntingdon Housing Authority
Jackson Housing Authority
Jefferson City Housing Authority
Johnson City Housing Authority
Kingsport Housing Authority
Knoxville Community Development Corp.
Lafayette Housing Authority
LaFollette Housing Authority
Lawrenceburg Housing Authority
Lebanon Housing Authority
Lenoir City Housing Authority
Lexington Housing Authority
Livingston Housing Authority
Martin Housing Authority
McKenzie Housing Authority
Memphis Housing Authority
Metro Development & Housing Agency
Murfreesboro Housing Authority
Paris Housing Authority
Parsons-Decaturville Housing Authority
Portland Housing Authority
Pulaski Housing Authority
Sevierville Housing Authority
South Pittsburg Housing Authority
Trenton Housing Authority
Tulahoma Housing Authority
Union City Housing Authority
Waverly Housing Authority

Apartments

Alexian Village of Tennessee
Chateau Royale Apartments
Tursky Construction Co.
Concorde Apartments
Ellis Street Apartments
Georgetown Condominiums
Green Hills Terrace Apartments
Home Builders Realty Company

Hamilton House Apartments
Kirby Pines Estates
Maple Village Apartments
Ravenscroft Apartments
Roxborough Manor Apts
Sans Souci Apartments
Shepherd Hills Apartments
Weatherwood Apartments
Woodland Homes

Mobile Home Parks

Financial Service Company, Inc.
Creskide Village Mobile
Old Trinity Estates
Stephens Motel and Tourist
Volunteer Mobile Home Park

Miscellaneous Master Meters

Tennessee State Fairgrounds

Intrastate Transmission

C.O.P.C.O.
Fentress Gas Pipeline
Infinity Gas Transport
TEPSCO
Tengasco
Titan Energy
Upper Cumberland Natural Gas Co

Direct Sales

AFG Industries,
Alpha/Owens-Corning
Aluminum Company of America
American Kraft Mills
Bowater Southern Paper Company
East Tennessee Natural Gas
Eastman Chemical Company
El Paso Energy Gas Processing
General Shale Products
Glaesteel Industrial Laminates
Solutia
Occidental Chemical Company
Olin Corporation
Pyron Metal
Rhône-Poulenc Ag Company
Rhône-Poulenc Basic
Smelter Service
TENNECO
Tennessee Air National Guard
Tennessee Valley Authority
UCAR Carbon Company
Willamette Paper

Tennessee Regulatory Authority Y2K Compliance Report – Form B

Return to Glynn Blanton, Chief, Gas Pipeline Safety Division, on or before September 1, 1999

Company Name: _____

Individual Responsible for Y2K Compliance Program

Name: _____ Title: _____

Street Address: _____

State: _____ Zip: _____ Phone: _____

E-mail Address: _____

A.1. Survey Applicability

Does your company have systems that may be affected by Year 2000 (2-digit date code) problems, and which might have an effect on the operation or reliability of your operations or business?

- ☐ No Please provide separately a brief comment on what your company does and return the survey without continuing further.
- ☐ Yes Please continue with survey.

A.2. Year 2000 Action Plan. Do you have a plan that comprehensively addresses the following?

Yes No N/A*

- ☐ ☐ ☐ **Prioritization:** Have you prioritized your company systems, software and embedded systems, into a hierarchy of mission-critical systems prioritized by 1) safety, 2) deliverability/reliability, 3) customer support and administrative systems (metering, billing, etc.). If not, please outline hierarchy on separate sheet.
- ☐ ☐ ☐ **Supporting Infrastructure:** Does your plan address facilities, internal telecommunications, emergency response systems, vehicles and other supporting infrastructure?
- ☐ ☐ ☐ **Supply Chain:** Does your plan include an assessment of the Year 2000 readiness of your mission-critical business partners -- e.g., suppliers, partners and customers, including telecommunications, electric suppliers, governmental agencies, financial and other service providers, etc.?
- ☐ ☐ ☐ **Services:** Does your plan include any products or services that you supply that may have Y2K implications?
- ☐ ☐ ☐ **Testing:** Does your plan require testing of all systems by July 30, 1999? _____% Complete
- ☐ ☐ ☐ **Coordination Exercises:** Do you have an interdependency test plan with other companies and organizations, to ensure functionality with mission-critical business partners, local emergency organizations, etc.?
- ☐ ☐ ☐ **Communications Program:** Internal: to ensure everyone in the company is aware of the issue, that the company has a plan, etc. External: to communicate with suppliers, customers, financial, insurance, emergency, regulatory officials, etc.

*N/A: Not applicable due to the nature of your business.

SECTION B. - SURVEY ON Y2K ACTIONS & STATUS

B.1. On what date is this survey being completed? _____

B.2. How long has your company been actively addressing the Year 2000 issue? _____

	<u>5 yrs</u>	<u>2 yrs</u>	<u>1 yrs</u>	<u>6 months or less</u>	<u>Not yet started</u>
Software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Firmware/ Embedded Systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Supply Chain Business Partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contingency Planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

B.2. Legal and Financial Assessment

☐ Y ☐ N Has your company conducted a formal, enterprise-wide assessment of the potential legal and financial risks presented by the Y2K problem?

☐ Y ☐ N If "No" do you intend to conduct one? Completion date? _____

If "Yes" have you identified significant legal and financial areas of uncertainty?

☐ Very Significant ☐ Somewhat Significant ☐ No Uncertainties

Please list specific areas of uncertainty _____

B.3. If your company has initiated development of a Year 2000 contingency plan, please indicate the stage and status of the planning for each of the areas:

	Not Applicable	Developing	Completed	Completion Date
A. Operations, Production, Processing, Safety Systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
B. Transportation, Distribution Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
C. Communications and Infrastructure Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
D. Financial, Human Resources, Administrative Services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
E. Security and Emergency Response & Procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
F. Environmental Monitoring & Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

B.4. Please indicate the stage your company is in for each of the below areas. The intent is to capture the total plan or business area functionality status. Completion date refers to the line item.

Not Applicable	Percent Completed	Completion Date
-------------------	----------------------	--------------------

By System:

Software Systems

Firmware/Embedded Systems

<input type="checkbox"/>	_____	_____
<input type="checkbox"/>	_____	_____

By Business Areas:

Financial/Administration

Operations

Interfaces (Business Partners)

<input type="checkbox"/>	_____	_____
<input type="checkbox"/>	_____	_____
<input type="checkbox"/>	_____	_____

B.5. ☐ Y ☐ N Do you anticipate service outages or other problems as a result of Y2K?

B.6. ☐ Y ☐ N Were the services of an outside consultant utilized to address Y2K?

B.7. How much money to date has been spent on your Y2K program? _____

TENNESSEE REGULATORY AUTHORITY



Melvin Malone, Chairman
Lynn Greer, Director
Sara Kyle, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

September 10, 1999.

ALEC, Inc.
222 Kentucky
PO Box 1377
Paducah, KY 42002-1377

Dear ALEC, Inc.:

On February 2, 1999, the Directors of the Tennessee Regulatory Authority ("TRA" or "Authority") unanimously ordered public utilities operating in the State of Tennessee to file Y2K Compliance Reports with the TRA Staff on or before September 1, 1999. The purpose of requiring these Compliance Reports is for the TRA to determine if utilities are taking appropriate measures to ensure that their systems, both critical and non-critical, will be prepared for the new millennium.

On June 6, 1999, the Order along with a Y2K survey was mailed to your company. As of the date of this letter, the Authority has not received a response from your company. It is impossible for the Authority to conduct a comprehensive review of utility Y2K readiness without your assistance. The public is looking to you as providers of utility services and to this agency as regulators of those services to take the proper steps so that their utilities are working properly come January 1, 2000. I am requesting that your company please take the appropriate steps to comply with the TRA's Order regarding this matter. An additional copy of the Order and the Y2K survey is enclosed for your ready reference.

Please understand that this issue is very important to the Authority and that this agency expects your full cooperation. Failure to comply with an order of the Authority can result in the issuance of a show cause order against your company which could result in the assessment of fines by the Authority.

Please take the necessary steps today to comply with the Authority's Y2K Order by filling out the survey attached to the Order and returning it immediately to Mr. Eddie Roberson, Chief of the Consumer Services Division for the TRA.

Thank you for your cooperation in this important matter.

Sincerely, -

A handwritten signature in black ink, appearing to read "K. David Waddell". The signature is stylized with a large, bold "K" and a long, sweeping underline.

K. David Waddell
Executive Secretary

Enclosure

TENNESSEE REGULATORY AUTHORITY

Melvin Malone, Chairman
Lynn Greer, Director
Sara Kyle, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

September 23, 1999

ALEC, Inc.
222 Kentucky
PO Box 1377
Paducah, KY 42002-1377

Dear ALEC, Inc.:

Enclosed please find a copy of the Agenda for the next regularly scheduled Conference of the Tennessee Regulatory Authority. This letter will serve as personal notice to your company that the Tennessee Regulatory Authority ("TRA") will discuss utility compliance with its Y2K Order (Docket No. 99-00273) at its September 26, 1999, Conference. The TRA issued its Y2K Order ("Order") on May 21, 1999. This Order required public utilities to submit reports to the TRA by September 1, 1999 outlining steps they were taking to become Y2K compliant.

As of the date of this notice, the TRA has not received your company's Y2K report. The TRA Staff will report to the Directors at the Conference that your company is not in compliance with the Authority Order and will recommend to the Directors that the TRA initiate a show cause proceeding against your company.

If you have any questions regarding this matter, please call Ms. Monique Odom at 615-741-3939, extension 164.

Sincerely,

K. David Waddell
Executive Secretary

Enclosure (Agenda for Authority Conference)

cc: Docket No. 99-00273

TENNESSEE REGULATORY AUTHORITY

460 James Robertson Parkway
Nashville, TN 37243-0505
(615) 741-2904 Ext 136

Director CONFERENCE AGENDA

9/28/99 9am

Issue Date: 10/15/1999 3:52:43 PM

ITEM	CASE NUMBER	COMPANY AND CAPTION
1	97-01366	NextLink of Tennessee, LLC Petition of NextLink Tennessee, LLC for approval of intralata toll dialing parity implementation plan
2	99-00273	Tennessee Regulatory Authority Year 2000 Compliance of Public Utilities in the State of Tennessee <i>Report of Staff on Company Compliance</i>
3	99-00436	United Telephone - Southeast TARIFF TO LIMIT THE COMPANY'S LIABILITY REGARDING YEAR 2000 (Y2K) DEFECTS
4	99-00462	Teligent, Inc. Teligent Pro Forma Assignment of CCN
5	99-00485	Hickory Star Water Company Application for CCN
6	99-00498	BellSouth Telecommunications, Inc. TARIFF TO INTRODUCE CENTREX SERVICE/CENTREX ISDN SERVICE
7	99-00512	Tennessee Regulatory Authority WNA Audit of United Cites Gas Co. for period of 11/01/98 - 04/30/99

ITEM	CASE NUMBER	COMPANY AND CAPTION
8	99-00550	OneStar Long Distance, Inc. Application for Approval of the Transfer of the Long Distance Customer Base of Ustel, Inc. and Arcada Communications, Inc. to One Star Long Distance, Inc.
9	99-00553	Sprint Communications Company, L.P. TARIFF TO INTRODUCE DIRECTORY ASSISTANCE
10	99-00561	OneStar Long Distance, Inc. Application for Approval of Transfer of the Long Distance Customer Base of NeTel to OneStar Long Distance
11	99-00574	BellSouth Telecommunications, Inc. TARIFF TO INTRODUCE LATE PAYMENT CHARGES <i>Consider Suspension</i>
12	99-00585	Sprint Communications Company, L.P. TARIFF TO GRANDFATHER AND RESTRUCTURE FONCARD SERVICES
13	99-00592	Sprint Communications Company, L.P. TARIFF TO FLOW THROUGH ACCESS SAVINGS
14	99-00599	BellSouth Telecommunications, Inc. TARIFF TO PROVIDE CONTRACT SERVICE ARRANGEMENT TN99-3195-01 FOR FRAME RELAY SERVICE
15	99-00600	BellSouth Telecommunications, Inc. TARIFF FOR CONTRACT SERVICE ARRANGEMENT TN99-4663-00 TO OFFER DISCOUNT BASED ON REVENUE COMMITMENT
16	99-00617	United Telephone - Southeast Interconnection Agreement between United Telephone - Southeast and NA Communications
17	99-00628	Communications Billing, Inc. Petition for Authority to Transfer Ownership and Control of Communications Billing, Inc.

ITEM	CASE NUMBER	COMPANY AND CAPTION
18	99-00648	Electric Power Board of Chattanooga IntraLATA Toll Dialing Parity Implementation Plan

APPLICATIONS FOR AUTHORITY FOR SERVICE IN TENNESSEE.

RESELLERS OF INTEREXCHANGE SERVICES

99-00578 CallManage, Inc.

REQUESTS FOR NAME CHANGES

99-00493 Name Change from: Intellicall Operator Services, Inc. to: Intellicall Operator Services, Inc. d/b/a ILD
99-00661 Name Change from State Communications, Inc. to: TriVergent Communications, Inc.
99-00680 Name change from Premiercom, Inc. d/b/a Premiercom Management Company to OPEX COMMUNICATIONS, INC.

CANCELLATION OF CERTIFICATION

96-00737 Alternative Long Distance, Inc. d/b/a Money Savers
96-01628 Fast Connections, Inc.
98-00077 Fifth Coast Communications, LLC

WITHDRAWAL OF APPLICATION

96-01221 Domingo Gonzalez
97-00268 C & P Enterprises, Inc.
97-00352 David M. McGonegal
97-00422 Farrell E. Lee